

**IN THE UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF TEXAS  
SAN ANTONIO DIVISION**

**BATES ENERGY OIL & GAS, LLC**

**v.**

**COMPLETE OIL FIELD SERVICES  
LLC AND SAM TAYLOR**

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**CIVIL ACTION SA:17-CV-00808-XR**

**DECLARATION OF LAMONT A. JEFFERSON**

I, Lamont A. Jefferson, hereby declare as follows:

1. I am a Member of the law firm Jefferson Cano, and one of the attorneys representing the Defendants/Third-Party Plaintiffs in the above-captioned case. I am over the age of twenty-one and have never been convicted of a felony or crime of moral turpitude, and am competent to make this declaration.

2. Our law firm was retained to represent COFS on or about July 25, 2017 and I have been serving as counsel-in-charge since that time.

3. Prior to our firm's retention, the plaintiff in the state court case, Bates Energy, LLC ("Bates Energy"), obtained an *ex parte* TRO that prevented COFS from accessing funds that COFS had caused to be deposited in escrow accounts held by Equity Liasion Company, LLC (ELC) and Amegy Bank. The TRO set a hearing date of August 3, 2017 to determine whether a temporary injunction should be entered. Before the TI hearing, I discussed a possible resolution of the escrow matters with counsel for Bates Energy. We were unable to reach agreement. The sticking point was Bates insistence that any money used to pay for frac sand be deducted from the Amegy account and not the ELC account.

4. The TI hearing took place as scheduled, with Judge Norma Gonzales of the 131<sup>st</sup> District Court presiding. The hearing concluded at approximately noon on August 4, 2017, at

which time Judge Gonzales denied the request for a temporary injunction. The principal for the plaintiff, Stanley P. Bates, testified during the hearing.

5. Bates testified that through the efforts of his company, 18 rail cars of sand were “sitting on the ground” at the Union Pacific railyard in Odessa, Texas, awaiting delivery as partial performance under the Memorandum of Understanding that Bates Energy entered into with COFS. Bates acknowledged that he had already received \$40,000 as partial payment for 7 of the 18 rail cars worth of sand. He further testified that because COFS had not yet secured possession of the cars, UP was assessing demurrage charges at the rate of \$3,000 per day.

6. Bates further testified that Bates Energy has no operating bank accounts. Instead, Bates Energy handles its business expenses through escrow accounts that are set up and managed by ELC. Moreover, Bates testified that he does not take a salary from Bates Energy, even though he is the chief operating officer of the company. He further testified that he does not own Bates Energy, rather the company is owned by his 23 year-old son.


7. Shortly after the hearing, counsel for COFS sought information from counsel for Bates regarding the rail cars “on the ground” and awaiting delivery. The attached Exhibit A, email exchange dated August 4, 2017, is a true and correct copy of the original sent that day. When no responsive information was forthcoming, counsel for COFS followed up on August 8 and the attached Exhibit B, email exchange between attorney Barkley and attorney Clausewitz occurred. Again, there was no response.

8. On August 15, 2017, COFS sent email correspondence to Bates Energy and to ELC (via Dewayne Naumann) terminating the MOU and demanding that the funds remaining in the ELC escrow account be returned to COFS, as expressly provided for in the escrow agreement – See attached Exhibit C.

9. On August 16, 2017, counsel for COFS received a telephone call from attorney Sam Buford, indicating that he was representing ELC. After discussing the matter, I email copies of the live pleadings to Mr. Buford. Mr. Buford indicated that he was considering filing an interpleader action in the pending lawsuit. We have received no communications from Mr. Buford since then. In addition, COFS' continued efforts to obtain an accounting of the escrow funds directly from ELC have been rebuffed.

My name is Lamont A. Jefferson. My date of birth is January 5, 1959, and my address is 112 East Pecan, Suite 1650, San Antonio, Texas 78205. I declare under penalty of perjury that the foregoing is true and correct.

Executed in Bexar County, State of Texas, on the 30th day of August, 2017.

  
Lamont A. Jefferson

**Lamont Jefferson**

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**From:** Tiffanie Clausewitz <Tiffanie@Rosenblattlawfirm.com>  
**Sent:** Friday, August 4, 2017 4:07 PM  
**To:** Lisa Barkley  
**Cc:** Shellie R. Reyes; Lamont Jefferson  
**Subject:** Re: 18 cars in Odessa

Hi Lisa - let me see what I can find out -

Sorry for delay, was on road leaving town -

Tiffanie S. Clausewitz  
Partner  
Rosenblatt Law Firm

Sent from my iPhone  
Please excuse any typos

On Aug 4, 2017, at 1:59 PM, Lisa Barkley <[LBarkley@jeffersoncano.com](mailto:LBarkley@jeffersoncano.com)> wrote:

Tiffanie,

Our client is interested in resolving the issue of the 18 cars in Odessa.

Stan Bates seemed to know where to locate and how to identify the cars.

COFS has paid 50% on the first 7 cars; was not able to pay for the next 6 cars because of the TRO; and hasn't received an invoice/request for disbursement for the last 5 cars.

Please let us know your thoughts.

Many thanks,  
Lisa

<image002.png>

**Lisa S. Barkley** | Jefferson Cano  
112 E. Pecan St., Suite 1650 | San Antonio, TX 78205  
P: 210.988.1805 | F: 210.988.1805 | [LBarkley@JeffersonCano.com](mailto:LBarkley@JeffersonCano.com)  
[www.JeffersonCano.com](http://www.JeffersonCano.com)

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**EXHIBIT A**

**Lamont Jefferson**

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**From:** Lamont Jefferson  
**Sent:** Tuesday, August 15, 2017 2:46 PM  
**To:** Tiffanie Clausewitz; Lisa Barkley  
**Cc:** 'Shellie R. Reyes'  
**Subject:** RE: Docket Control Order  
**Attachments:** 20170815\_Ltr Clausewitz.pdf

Tiffanie,

I am attaching a letter officially terminating the Memorandum of Understanding between your client and ours.

You will see that Dewayne Naumann is listed as being copied, but we have not delivered the letter directly to him because we are unsure whether you are representing Mr. Naumann for the matters involved in this suit. If you are, then please accept this correspondence as service upon him.

If you are not representing Mr. Naumann (or cannot accept delivery on his behalf), let me know and we will deliver the termination letter to him through other means. If we do not hear from you by 4 p.m. today, then we will serve him directly.

Thank you,

Lamont



**Lamont A. Jefferson** | Jefferson Cano  
112 E. Pecan St., Suite 1650 | San Antonio, TX 78205  
P: 210.988.1811 | M: 210.269.7828 | [ljefferson@jeffersoncano.com](mailto:ljefferson@jeffersoncano.com)  
[www.JeffersonCano.com](http://www.JeffersonCano.com)

**EXHIBIT B**

# JEFFERSONCANO

August 15, 2017

*Via Electronic Mail: tiffanie@rosenblattlawfirm.com*

Bates Energy Oil & Gas, LLC  
c/o Tiffanie S. Clausewitz  
Rosenblatt Law Firm  
10719 Huebner Road, Bldg. 1  
San Antonio, Texas 78248

Re: Termination of (1) Memorandum of Understanding (Operating Agreement) and (2) Escrow and Disbursement Agreement with Equity Liaison Company, LLC

Dear Tiffanie:

On behalf of our client Complete Oil Field Services, LLC ("COFS"), please inform your client Bates Energy Oil & Gas, LLC that the Memorandum of Understanding (Operating Agreement) is terminated and/or canceled for cause.

In light of the foregoing, the Escrow and Disbursement Agreement between COFS and Equity Liaison Company, LLC is also terminated pursuant to ¶ 1.4 of that agreement. The balance of the funds in the account, which COFS' records show approximate \$960,000, should be disbursed to COFS by wire transfer no later than 4:00 p.m. on Wednesday, August 16, 2017.

Sincerely,



Lamont A. Jefferson  
Direct Dial: 210.988.1811  
*ljefferson@jeffersoncano.com*

cc: Dewayne Naumann  
*dnaumann@equityliaison.com*

## Lamont Jefferson

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**From:** Tiffanie Clausewitz <Tiffanie@Rosenblattlawfirm.com>  
**Sent:** Tuesday, August 15, 2017 2:55 PM  
**To:** Lamont Jefferson; Lisa Barkley  
**Cc:** Shellie R. Reyes  
**Subject:** RE: Docket Control Order

Hi Lamont –

We do not represent Naumann. We are in the process of withdrawing in the Uresti matter; I'm just waiting for confirmation that he has engaged another attorney (to my knowledge, he has not yet done so). You will need to serve him directly.

Thanks,  
Tiffanie

**Tiffanie S. Clausewitz**  
210.562.2900  
tiffanie@rosenblattlawfirm.com  
[Web](#) | [Bio](#) | [vCard](#)

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**From:** Lamont Jefferson [mailto:LJefferson@jeffersoncano.com]  
**Sent:** Tuesday, August 15, 2017 2:46 PM  
**To:** Tiffanie Clausewitz <Tiffanie@Rosenblattlawfirm.com>; Lisa Barkley <LBarkley@jeffersoncano.com>  
**Cc:** Shellie R. Reyes <shellie@Rosenblattlawfirm.com>  
**Subject:** RE: Docket Control Order

Tiffanie,

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If you are not representing Mr. Naumann (or cannot accept delivery on his behalf), let me know and we will deliver the termination letter to him through other means. If we do not hear from you by 4 p.m. today, then we will serve him directly.

Thank you,

Lamont



**Lamont A. Jefferson** | Jefferson Cano  
112 E. Pecan St., Suite 1650 | San Antonio, TX 78205



P: 210.988.1811 | M: 210.269.7828 | [ljefferson@jeffersoncano.com](mailto:ljefferson@jeffersoncano.com)  
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## Lamont Jefferson

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**From:** Lamont Jefferson  
**Sent:** Tuesday, August 15, 2017 3:14 PM  
**To:** 'dnaumann@equityliaison.com'; 'Tiffanie Clausewitz'; Lisa Barkley  
**Cc:** 'Shellie R. Reyes'  
**Subject:** RE: Docket Control Order  
**Attachments:** 20170815\_Ltr Clausewitz.pdf

Mr. Naumann,

Please see the correspondence attached and email exchange below.

Complete Oil Field Services expects that all funds held in the ELC escrow account will be delivered to the company in the next 24 hours, as provided for in Section 1.4 B of the agreement.

Please let me know if you need additional information to ensure that payment is accomplished.

Sincerely,

LJ



**Lamont A. Jefferson** | Jefferson Cano  
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[www.JeffersonCano.com](http://www.JeffersonCano.com)

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**From:** Lamont Jefferson  
**Sent:** Tuesday, August 15, 2017 2:46 PM  
**To:** Tiffanie Clausewitz <Tiffanie@Rosenblattlawfirm.com>; Lisa Barkley <LBarkley@jeffersoncano.com>  
**Cc:** 'Shellie R. Reyes' <shellie@Rosenblattlawfirm.com>  
**Subject:** RE: Docket Control Order

Tiffanie,

I am attaching a letter officially terminating the Memorandum of Understanding between your client and ours.

You will see that Dewayne Naumann is listed as being copied, but we have not delivered the letter directly to him because we are unsure whether you are representing Mr. Naumann for the matters involved in this suit. If you are, then please accept this correspondence as service upon him.

If you are not representing Mr. Naumann (or cannot accept delivery on his behalf), let me know and we will deliver the termination letter to him through other means. If we do not hear from you by 4 p.m. today, then we will serve him directly.

Thank you,

Lamont



**Lamont A. Jefferson** | Jefferson Cano

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[www.JeffersonCano.com](http://www.JeffersonCano.com)

## Lamont Jefferson

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**From:** Tiffanie Clausewitz <Tiffanie@Rosenblattlawfirm.com>  
**Sent:** Tuesday, August 8, 2017 4:52 PM  
**To:** Lisa Barkley; Shellie R. Reyes  
**Cc:** Lamont Jefferson  
**Subject:** RE: Follow up to 18 cars in Odessa

Thanks Lisa – I will pass on the information below to our client and get back to you.

**Tiffanie S. Clausewitz**  
210.562.2900  
tiffanie@rosenblattlawfirm.com  
[Web](#) | [Bio](#) | [vCard](#)

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**From:** Lisa Barkley [mailto:LBarkley@jeffersoncano.com]  
**Sent:** Tuesday, August 8, 2017 4:48 PM  
**To:** Tiffanie Clausewitz <Tiffanie@Rosenblattlawfirm.com>; Shellie R. Reyes <shellie@Rosenblattlawfirm.com>  
**Cc:** Lamont Jefferson <LJefferson@jeffersoncano.com>  
**Subject:** Follow up to 18 cars in Odessa

Tiffanie,

To follow up from Friday, is your client agreeable to resolving the missing Odessa cars?

We're particularly interested in the 7 cars that our client has already partially paid for – the almost \$40,000. Specifically,

- (1) where are those cars being held (i.e, what is the transloading facility),
- (2) what will it take to release those cars (including payment of any demurrage fees, delivery of any necessary documents for presentation at the transloading facility, etc.), and
- (3) what is the earliest time that our client can take possession/delivery?

If you have not provided these details by close of business Wednesday (8/9/17), then we will assume that none of the sand in the 18 cars is available for delivery by Bates Energy.

If your client is able to provide this information, then please provide the same details regarding the other 11 cars that have not yet been processed for payment. We will then use our best efforts to secure possession of the first 7 cars. And we will work with ProPetro to determine a reasonable schedule to take delivery of the remaining 11 cars, all assuming we reach agreement on price and payment terms.

We look forward to hearing from you.

Lisa



**Lisa S. Barkley** | Jefferson Cano  
112 E. Pecan St., Suite 1650 | San Antonio, TX 78205  
**P:** 210.988.1805 | **F:** 210.988.1805 | [LBarkley@JeffersonCano.com](mailto:LBarkley@JeffersonCano.com)

**EXHIBIT C**

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